

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA



UNITED STATES OF AMERICA :
:
v. : 1:20CR336-1
:
BRANDON RASHAD LEWIS :

FACTUAL BASIS FOR A GUILTY PLEA

NOW COME the United States of America, by and through Matthew G.T. Martin, United States Attorney for the Middle District of North Carolina and Robert Zink, Chief, Criminal Division, Fraud Section, and state that the factual basis for a guilty plea is as follows:

Background

On March 11, 2020, the World Health Organization (“WHO”) Director-General briefed the media regarding the global outbreak of Coronavirus Disease 19 (hereinafter “COVID-19”), characterizing it as a pandemic. Two days later, on March 13, 2020, President Donald J. Trump declared COVID-19 a national emergency. Meanwhile, governors across the country began declaring states of emergency and issuing executive orders aimed at preventing the spread of COVID-19, including through state-wide stay-at-home orders, resulting in the closure of schools and small businesses. In

addition, public health departments issued guidance to prevent transmission of the virus, recommending social distancing, frequent hand washing, and increased cleaning and disinfection of surfaces.

On March 27, 2020, The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was signed into law in response to the economic fallout of the COVID-19 pandemic in the United States. One source of relief provided by the CARES Act was the expansion of the Economic Injury Disaster Loan (“EIDL”) program administered by the United States Small Business Administration (“SBA”), an agency of the executive branch of the United States Government. Specifically, the CARES Act authorized the SBA to provide EIDL loans of up to \$2 million to eligible small businesses experiencing financial disruption due to the COVID-19 pandemic. The CARES Act also authorized the SBA to issue advances of up to \$10,000 to small businesses within three days of applying for an EIDL. The amount of the advance is determined by the number of employees the applicant certifies having. The advances do not have to be repaid.

In order to obtain an EIDL and advance, a qualifying business must submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period

preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. The applicant must also certify that all of the information in the application is true and correct to the best of the applicant's knowledge.

The Home Kitchen Goods Scheme

On March 16, 2020, the defendant, BRANDON RASHAD LEWIS, knowingly and with the intent to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, created a website called "www.homekitchengoods.com" for the online store "Home Kitchen Goods," where he claimed to sell sought after pandemic-related household goods, including hand sanitizer, disinfecting wipes, paper towels, and toilet paper. LEWIS utilized social media platforms transmitted by means of wire traveling in interstate commerce, to promote the availability of these pandemic-related household goods and direct consumers throughout the United States to his website. These transmissions were in furtherance of LEWIS' scheme. On the Home Kitchen Goods website, LEWIS falsely claimed that these items were all "in stock." LEWIS' statements were false, and caused his victims to part with their money. In truth and in fact, LEWIS never had or delivered any of the pandemic-related household goods to any

consumers.

Over the course of five days, from March 20, 2020 through March 24, 2020, LEWIS received over 8,500 orders through the Home Kitchen Goods website and the total cost for these purchases exceeded \$400,000.

The “COVID-19 Relief Fund” and “American Relief Fund” Scheme

In April 2020, LEWIS knowingly and with the intent to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, created the so-called “COVID-19 Relief Fund,” purportedly managed and overseen by LEWIS as president and founder of the “investment firm” Lewis Revenue Group, LLC (hereinafter “LRG”). On his website, www.lewisrevenuegroup.com, LEWIS falsely claimed that LRG “worked together with multiple corporations to organize the largest corporate funded COVID-19 relief fund to date.” LEWIS promised a “guaranteed \$15,000 relief grant” in exchange for an up front “reservation” fee of \$1200. LEWIS falsely claimed that “the fund has up to \$250 million available for small businesses” and provided a link for applicants to “purchase a reservation now.”

In addition, LEWIS published an article on a purported news website, owned and controlled by LEWIS, claiming that small businesses could receive

\$12,500 or more through the “COVID-19 Relief Fund” in exchange for an upfront fee of \$995. In the article LEWIS falsely claimed that he had “successfully helped 426 small businesses get COVID-19 relief grants,” totalling over \$5.3 million in distributions. LEWIS’s false and fraudulent statements caused his victims to part with money.

LEWIS transmitted by means of wire traveling in interstate commerce targeted email marketing, social media campaigns, paid content, and sophisticated press release distribution services to promote the “COVID-19 Relief Fund” and direct potential grant applicants throughout the United States to the website. These transmissions were in furtherance of LEWIS’ scheme. Between April 15, 2020 and April 27, 2020, small business owners paid LEWIS more than \$100,000 in reservation fees through two third-party payment processors. These funds were subsequently transferred into two Financial Institution A accounts controlled by LEWIS, including: (i) account ending in 4184 in the name of DBA Lewis Revenue Group, Brandon Lewis Sole Prop and (ii) account ending in 7577 in the name of Lewis Revenue Group L.L.C. LEWIS never had or distributed any grant funds to the “COVID-19 Relief Fund” applicants.

In May 2020, in furtherance of the scheme, LEWIS also created the so-called “American Relief Fund,” offering \$5,000 grants to “every American affected by COVID-19.” On his website, www.americanrelief.org, LEWIS falsely claimed that the “American Relief Fund” was sponsored and funded by multiple, well-known corporations. He also used the official trademarks and logos of those corporations without permission in furtherance of the scheme. LEWIS never had or distributed any funds in connection with the “American Relief Fund.”

LEWIS also misrepresented that LRG was acting as a charitable organization by raising and administering charitable pandemic relief funds through the “COVID-19 Relief Fund” and the “American Relief Fund.” At no point during the relevant time period, however, was LRG a charitable organization and, as described above, LEWIS never had or distributed any funds—charitable or otherwise—through the two funds.

The SBA-EIDL Scheme

Between March 31, 2020 and April 8, 2020, LEWIS purchased 37 “aged, off-the-shelf” corporations, *i.e.*, companies that had been incorporated previously, but never, in fact, conducted business operations. These corporations were purchased using funds LEWIS solicited from friends and

family members. LEWIS used a portion of the funds he received from small business owners defrauded by the “COVID-19 Relief Fund” scheme to repay his friends and family members. Beginning on April 1, 2020, continuing up to and including July 19, 2020, LEWIS submitted approximately 68 loan applications and non-refundable grant “advances” of up to \$10,000 through the SBA-EIDL program in the name of the various “aged, off-the-shelf” corporations he acquired, including but not limited to Ambitious Marketing, LLC, Cool Consulting, LLC, Flexible Solutions, LLC, Mad Genius Management, LLC, Mayfield Management Firm, Inc., and Windsor Asset Group, LLC. To support these applications, LEWIS willfully and falsely certified to the SBA material information, including, among other things, that LEWIS had twelve employees and gross revenue for the twelve months prior to the “date of the disaster” of around \$25,000, which he did not. In connection with these fraudulent applications, LEWIS received approximately \$35,000 from the SBA before additional fund disbursements were blocked by federal law enforcement.

This the 28th day of August, 2020.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on August 28, 2020, the foregoing was electronically filed with the Clerk of the Court using the CM/ECF system, and that the undersigned will send notice of this filing via email to the following, who has not yet entered a Notice of Appearance: Kearns Davis, Esq.

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